# GOVERNMENT OF INDIA
# FINANCE AND COMPANY AFFAIRS
# LOK SABHA

UNSTARRED QUESTION NO:820
ANSWERED ON:21.02.2003
STEPS TO ATTRACT MNCS FOR FDI
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**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

(a) Whether according to business outlook survey conducted by American Chambers of Commerce in India (AMCHAM), most of the American countries are hesitating in making investment in India and preferring other Asian countries like China, Malaysia, Philippines, Taiwan etc.

(b) if so, the facts in this regard;

(c) the reasons of hesitation among American companies in regard to investment in India; and

(d) the steps being taken by the Government to convince the MNCs and to attract them to make more investment in Indian market?

## Answer

Minister of State in the Ministry of Finance & Company Affairs (Shri Anandrao V. Adsul)

(a)to(c): The AMCHAM INDIA-GALLUP Business Outlook Survey 2002 has indicated that there seems to be status quo on future U investments in India because of better investment climate in competing investment destinations. According to the report, sector-specific red-tapism and bureaucracy, lack of stable policies and regulatory framework, security issues facing India and political instability were contributing factors.

However, the World Investment Report 2002 published by the UNCTAD, identifies India as one of four countries in developing Asia which are expected to witness increased FDI inflows.

(d): Government has put in place a liberal FDI policy to attract investment and most of the sectors have been put under the automatic route except for a small negative list. Delays in realising FDI occur mainly due to implementation problems at the state level.An inter-ministerial Committee set up to look into the simplification of investment procedures has recommended an empowered State level single window system to accord approvals.